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# The Elmwood Institute

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## GLOBAL FILE ASSISTS U.S. CORPORATIONS TO BE "GREEN"
## INTERNATIONAL BUSINESS ENVIRONMENTAL SUCCESS STORIES

Berkeley, CA-- U.S. Business is on an environmental battlefield facing angry consumers and increasing government regulation as a 1990 survey by Opinion Research revealed that 71% of Americans had made brand switches because of environmental concerns, and another survey of business leaders by New Business Topography found that dealing with environmental regulations will be the major challenge companies will face in the next 10 years.

Noted authors Fritjof Capra, Ph.D., ( The Turning Point); and Ernest Callenbach, (Ecotopia); and other associates of the Elmwood Institute, have developed GLOBAL FILE, a series of reports on successful ecological practices in business and government worldwide. These reports, a consolidation of studies done by correspondents stationed in various countries, are published by the Elmwood Institute, an international ecological think tank which Dr. Capra founded in Berkeley, California, in 1984.

Capra and Callenbach argue that the world-wide ecological practices and trends described in GLOBAL FILE could become international standards and American companies need to be aware of the information to remain globally competitive. The newest GLOBAL FILE report, *The Elmwood Guide to Eco-Auditing and Ecologically Conscious Management,* explains how many companies especially in Europe have already begun implementing ecologically cost effective advanced strategies and principles.

### ECOLOGICAL BUSINESS SUCCESS STORIES DESCRIBED IN GLOBAL FILE

* Llammsbrau Neumarkter, a beer brewery, which pioneered a "holistic management philosophy" that includes organic agriculture, ecologically sound brewing and packaging process and the utilization of solar energy.

* Otto Versand in West Germany, a leading mail order business is an example of a company that eco-audited its products and eliminated particularly harmful products

* SKW Trostberg, a German chemical company that redesigned its production processes to make them ecologically sound, instituted employee information programs, and gave financial support to environmental organizations.

### ECOLOGICAL BUSINESS TREND DESCRIBED IN GLOBAL FILE

* The Swedish paper industry's turn away from chlorine bleaching and the move toward a recycled paper basis which is a pattern also found in companies throughout Western Europe

* The development of product eco-labelling programs in Germany, Japan and Canada and other nations has caused a number of manufacturers to produce goods that consume less energy or water, use recycled materials, give off less toxic emissions or exhaust and make less noise.

Capra and Callenbach noted that U.S. Business should consider adopting eco-auditing methods to meet changing demands of consumers and government as well as global ecological standards.

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Mr. Howard Rhengold
Editor
Whole Earth Review
27-Gate Five Road
Sausalito, CA. 94965

Dear Mr. Rhengold,

American consumers have angrily reacted to environmental problems by responding in a 1990 survey by Opinion Research that 27% of them had boycotted products because of manufacturer's poor environmental records and 71% had switched brands. Meanwhile the Justice Department statistics shows that over the past seven years, government fines levied against corporate polluters has risen substantially each year with fines of $11.7 million levied in 1989.

Two top ecological experts, Fritjof Capra, Ph.D., author of The Tao of Physics and The Turning Point, and Ernest Callenbach, author of Ecotopia, and other associates of the Elmwood Institute have developed GLOBAL FILE, a series of reports on Eco-Business success stories, a consolidation of studies done in European markets. GLOBAL FILE is published by the Elmwood Institute, an international ecological think-tank which Dr. Capra founded in Berkeley, California in 1984.

Both men bring years of expertise to the GLOBAL FILE. In addition to his Ph.D. from the University of Vienna, Dr. Capra has conducted both scientific and ecological or systemic courses and research at the University of Paris, the University of California at Santa Cruz, the Stanford Linear Accelerator Center, and the University of London. He has conducted seminars with top European firms such as Volkswagen and recently inspired a leading Dutch software company BSO/Beheer BV, to prepare an ecological balance sheet.

With his masters degree from the University of Chicago, Ernest Callenbach has lectured at Harvard, and U.C Berkeley, and given numerous talks to general and business audiences, most recently at PG&E. He has written 500 published articles and authored several best-selling books on the environment.

The Elmwood Guide to Eco-Auditing and Ecologically Conscious Management is a GLOBAL FILE report designed to assist American corporations with eco-auditing methods that meet the changing demands of consumers and the government.

Capra and Callenbach believe that the ecologically sound practices they have found in Europe will be adopted as worldwide standards and cite the following trends:

WEST GERMANY

* Began environmental auditing with a broadening of the traditional balance sheet with 40% of the companies now reporting cost-effective ecological innovations.

SWEDEN

* Pioneered an industry wide move for recycling, and manufacturing paper that is chlorine free so that 99% of the paper produced is now "eco-friendly". A strong trend towards adoption of Swedish methods is now being seen throughout European manufacturing companies.

GERMANY, JAPAN AND CANADA

* The development of product eco-labelling program in Germany Japan, Canada and other nations has caused a number of manufacturers to produce goods that consume less energy or or water, use recycled materials, give off less toxic emissions or exhaust and make less noise.

Capra and Callenbach note that the GLOBAL FILE report "The Elmwood Guide to Eco-Auditing and Ecologically Conscious Management" contains thirteen checklists to help American companies facilitate the shift to ecologically sound management and manufacturing practices.

Both men are interesting, witty, and comfortable with a wide range of questions about ecological trends both in Europe and the United States.

With the growing movement of consumer concern about the environment, as well as business managers who are grappling with the problem of how to change their environmental practices and still make a profit. This topic that focusses on companies that have found successful solutions might interest your audience. I look forward to talking with you.

Sincerely

Musa Muzaffar

## FACT SHEET

71% of the consumers surveyed said that they had switched brands because of environmental concerns and 27% said they had boycotted products because of a manufacturer's poor environmental record.

Opinion Research Corporation, San Francisco Chronicle, July 3, 1990

Some consumers have stopped buying certain brand products because they are viewed as environmental polluters. This is not a fringe group of consumers. They truly believe these companies ...are not acting in the best interest of the environment. It may not be showing up in profits now, but perceptions about environmental policy can directly affect sales.

Industry Week, August 6, 1990

A survey held at the "New Business Topography: Navigating for Success in the 1990s" seminar found that dealing with environmental regulations will be the major challenge faced in the decade. The reality is that customer/public views on the environment count.

Industry Week, July 3, 1990

Investing in companies that boast strong records of environmental protection and show other signs of social consciousness is a growing trend.

Scientific American, October 1989

Recent reports by Gerstman and Meyers Inc, New York, said consumers are willing to pay 5% more for a product that comes in an environmentally sound package, as long as it offers the properties they want.

Marketing News, March 19, 1990

Discount retailer WAL-MART has initiated "green product labelling" of goods whose manufacturers are environmentally progressive. AVEDA cosmetics is designing a refillable metal makeup bottle to replace throw-a-way plastic and glass containers.

Newsweek, September 25, 1990

Three quarters of Americans say business needs to clean up but only 36% think industry is doing its job.

Business Week, April 23, 1990

Over the past seven years, government fines levied against corporate pollutors have risen steadily. Fines for environmental offenses, in millions:

1983: $.3
1986: $1.9
1987: $3.0
1988: $7.9
1989:$11.7

Source: United States Department of Justice

## CASE STUDIES
### From The Elmwood Guide to Eco-Auditing and Ecologically Conscious Management

The Elmwood Institute's GLOBAL FILE researchers estimate that the European Economic Community of 1992 is setting the ecological rules and regulations that will become worldwide standards in the nineties. Here are examples of pro-active efforts in Europe and the United States.

**SKW TROSTBERG** - A German chemical company that redesigned its production processes to make them ecologically sound, and also instituted employee information and motivation programs. Gave financial support to environmental organizations and various environmental impact studies.

**OTTO VERSAND** - A leading German mail-order business audited its product offerings and eliminated particularly harmful products from its stocks, including items made of rainforest wood or those that involved the killing of endangered species.

**ELIDA GIBBS** - A cosmetic company in Hamburg that strives for exemplary openness in its "Green Reports", maintains contacts with leading environmental activists and created a company-wide "eco-team" consisting of representatives of all departments.

**FRIEDRICH NIEMANN** - A manufacturer of industrial supplies publishes a "Green Catalogue" of eco-technologies.

**COOP SCHWEIZ** - A Swiss supermarket developed its own eco-labelling system.

**NEUMARKTER LAMMSBRAU** - A beer brewery pioneered a "holistic management philosophy" that includes organic agriculture, ecologically sound brewing and packaging processes, and the use of solar energy.

**BISCHOF & KLEIN** - One of Europe's largest packaging companies, designed a comprehensive "eco-blueprint" as a guideline for its corporate policies. It was the first industrial enterprise in Germany to initiate a systemic ecological audit which involves three levels: a company audit, product audits and process audits. This system has been so successful that Bikschof & Klein now offer it to other companies.

**THE BODY SHOP**- In the United Kingdom, the Body Shop manufactures and sells products for skin and hair that are made only with natural, botanical ingredients.

**SMITH AND HAWKEN** - A California mail order company selling gardening supplies, housewares and clothing, it is one of the very few businesses to conduct a wide ranging eco-adit. In December 1989 they began a formal environmental audit which, several months later, produced an environmental policy statement for 1990 that was made available to customers. Actions initiated included widespread recycling and reuse of materials, a company-wide ban on Styrofoam, elimination of toxics, and plastic wherever possible, numerous energy and water saving measures, and support of bicycling as a means of transportation to and from work. In a four page statement " The Junk Stops Here," co-founder Paul Hawken reviewed the excessive and wasteful practices of the catalog and direct-mail industry, and set forth a number of guidelines These include catalogs on recycled paper, a "sanctuary forest program" and use of soy-based inks instead of metallic inks.

**STRATEGIES AND SUCCESSES FROM GLOBAL FILE**
**Pointers from The Elmwood Guide To Eco-Auditing and Ecologically Conscious Management**
**Published by the GLOBAL FILE project of the Elmwood Institute**

**According to the Guide, companies must move beyond compliance with existing regulations and re-evaluate values and practices throughout the company, from in-flow to out-flow.**

### 1. Reduce, Reuse, Recycle.

To reduce energy costs, the clothing company Esprit de Corp turns out its lights automatically at 5 p.m., saving approximately $4000 on monthly electric bills. If employees stay after 5 p.m., they must turn on lights in their work area only.

### 2. Audit All Procurements

Try to purchase recycled products, i.e. toilet paper, using E-mail and fax instead of overland mail. A leading mail-order business Otto Versand in West Germany audited its product-offerings, and eliminated particularly harmful products from its stocks, i.e. items made of rainforest wood or that involve killing endangered species. Smith and Hawken of the San Francisco Bay Area make teak garden furniture. Its owner visited rainforests where the teak came from to ensure that their products were not helping to deplete the eco-system.

### 3. Design Products for a Green Future

Review and redesign products, examine production, use and disposal -- lifetime considerations -- and include materials' management. Here are examples: A beer brewery (Newmarkter Lammsbrau) pioneered the use of solar energy in Switzerland. A manufacturer of industrial supplies (Friedrich Niemann) in Germany publishes a Green Catalogue of eco-technologies. Bio-Pax, Inc. of Annapolis, a packaging company, spun off a division of the company exclusively devoted to designing and distributing environmentally friendly packaging.

### 4. Review Internal environment.

Consider working in small teams; create employee policies to ensure fair and humane treatment; examine for "sick building syndrome"; consider importance of ventilation, safety, comfort and attractive surroundings; support your community and environmental organizations. The Body Shop, of Great Britain, has created sustainable, non-exploitative trade agreements in economically disadvantaged countries. Smith and Hawkins, a gardening supplies firm of the Bay Area, has conducted an ecological audit such as the one described in GLOBAL FILE; Elida Gibbs, a company in Hamburg, W. Germany, maintains contact with leading environmentalist activists, and has created "eco-teams" inside the company. Volvo of Sweden has small teams working together and switches jobs to prevent boredom of repetition.

### 5. Set Long Term Corporate Ecological Goals

Consider PG&E's admirable 10 year goals to: 1) save equivalent of 2500 megawatts of electricity; 2)not build new power stations; 3) develop renewable technology, ie solar and wind, and hope these technologies will become competitive in 10 years; 4) become a *non-fossil* fuel utility.

## PROFESSIONAL PROFILE - PHILIPPA WINKLER

Philippa Winkler is the Executive Director of the Elmwood Institute, an international ecological think tank composed of top scientists, authors and scholars. The institute is based in Berkeley, California. Its objective is to facilitate the emergence of a new "paradigm" in world culture.

Ms. Winkler grew up in London, England. She received her B.A. in History from the London School of Economics.

In the early eighties, she made a career in print and television by covering environmental issues For example, she investigated a nuclear undersea dump site near the Farallone Islands, thirty miles off the coast of San Francisco. Congressional hearings on radioactive materials in fish and the food chain were reopened as a result of her articles about environmental destruction.

In 1985, she moved from journalism to public relations and advertising. She worked for a variety of non-profit organizations concerned with environmental issues.

As a "peace publicist", she generated widespread TV, radio and print coverage to raise public concern about the environmental threat of nuclear research and of nuclear weapons at sea and on land (Peace Navy Campaign; Coalition for a Safe Bay Campaign).

In 1988, she co-founded and co-directed the Human Rights Documentation Project. She became the executive director of the Elmwood Institute the year after.

Her media events, her publishing and her work with the Elmwood Institute reflect her interest in the political, spiritual and the ecological. Her philosophy is that people's action and purchasing decisions can have a dramatic impact on the environment. Along with Associate Professor Deborah Lowe, of San Francisco State University, she conceptualized and developed Earth Gifts and Celebrations as a way for people to reduce the impact of the human-made environmental disaster. This resource guide is also designed to help people spend less this holiday season.

## PROFESSIONAL PROFILE - FRITJOF CAPRA, Ph.D.

Fritjof Capra is the Founder/President of the Elmwood Institute in Berkeley, California, a scientist, a systems theorist, and best-selling author. Dr. Capra was born in Austria and received his Ph.D in theoretical physics from the University of Vienna in 1966. As a researcher, he co-authored The Elmwood Guide to Eco-Auditing and Ecologically Conscious Management. The report is part of series published by the Elmwood Institute, the international ecological think-tank Dr. Capra founded in 1984.

Dr. Capra was a researcher at the University of Paris, the University of California at Santa Cruz, the Stanford Linear Accelerator Center and the University of London.

He has conducted both scientific and ecological courses and seminars at U.C. Santa Cruz, U.C. Berkeley, and San Francisco State University, and has lectured throughout Europe and North America. He has lectured before business audiences at companies such as Volkswagen. He has been the subject of over 50 interviews and documentaries in the United States, Europe and Japan.

His books have sold over a million copies worldwide. He has written:

The Tao of Physics, 1975, which illustrates parallels between new findings in physics and ancient Eastern religions. Translated into 14 languages.

The Turning Point, 1982, which details Capra's basic premise that human thought is evolving from a mechanistic view to a more holistic and ecological view. Translated into 11 languages.

Green Politics, 1984, with Charlene Spretnak. Translated into four languages.

Uncommon Wisdom, 1988, translated into 10 languages

Mindwalk, a screenplay for a feature film. Directed by his brother Bernt Capra, and starring Liv Ullmann, Sam Waterston and John Heard, this film is based on The Turning Point and is being shown at film festivals worldwide before release.

## PROFESSIONAL PROFILE - ERNEST CALLENBACH

Ernest Callenbach is one of the founding members of the ecological think-tank, the Elmwood Institute. As a well-known researcher, he has co-authored the Elmwood Guide to Eco-Auditing and Ecologically Conscious Management. He served as editor-in-chief of GLOBAL FILE, a project of the Elmwood Institute which transfers information across national boundaries about successful ecological shifts in business and government. His most famous works include:

* Ecotopia - 1975 international best-seller which is thought to have inspired the 1970s environmental movement.
* Ecotopia Emerging - 1981
* The Ecotopian Encyclopedia for the '80s
* Film Quarterly - founder/editor of this prestigious journal based in Berkeley.

Mr. Callenbach received his M.A. in English from the University of Chicago. In addition to his role at the Elmwood Institute, Mr. Callenbach has lectured and taught extensively throughout the United States, in Europe and in other parts of the world. His lectures, based on his research findings about the environment, have been heard by audiences at Harvard, Berkeley and other colleges and universities. In classrooms, he has taught the subject of film at San Francisco State University and U.C. Berkeley. He has also addressed business audiences. Most recently he lectured to an audience of financial analysts at Pacific Gas and Electric.

Mr. Callenbach has written over 500 articles, film reviews, and book reviews in publications that include the L.A. Times, San Francisco Chronicle, American Review and Film Quarterly.

## SUGGESTED QUESTIONS

1 How does eco-auditing differ from environmental auditing? What are you proposing that is new and different?

2 What industries currently require the most attention?

3 How can businesses begin their quest for green-ness?

4 Can eco-sound practices lose jobs?

5 Is it realistic to think businesses will change the habits of a life-time?

6 How much time does an ecological audit take?

7 How do you get your financial support?

8 What is the Elmwood Institute and why did a green think-tank focus on corporate methods?

9 Do you think there is an inherent contradiction in the term "green consumerism"?

10 Are you for or against growth and technological advances?